Gold Rush Cariboo Provides 2018 Operations Update, 2019 Action Plan and Notice of Warrant Amendment

04.03.2019 | GlobeNewswire

TORONTO, March 04, 2019 - “Gold Rush Cariboo is poised for the 2019 season thanks to the extensive preparatory work and field testing during 2018,” says Conan Taylor, Gold Rush Cariboo’s President. “A great deal of preliminary work and testing has now been completed and we are gearing up for 2019 with expanded testing capacity and a new system upgrade for collecting gold.”

Gold Rush Cariboo has optioned 16 distinct properties totaling approximately 10,000 acres in the prolific historic gold producing Cariboo District of British Columbia. The first property optioned is the fully permitted historic Horseshoe Bend alluvial gold and platinum property on the Quesnel River. Extensive preparatory work was done on Horseshoe Bend in 2018. The property hosts an historic alluvial gold resource. The 2018 testing program confirmed the presence of alluvial gold on the property.

Key to 2019 operations will be a comprehensive drilling program and large scale bulk sampling of identified gold bearing areas. The first stage of drilling will occur on the Horseshoe Bend lease and claims where the low, mid and upper level benches will be explored. Following Horseshoe Bend, exploration drilling and sampling will take place on the company’s other major optioned properties.

The delayed receipt of new gold processing equipment which the company purchased hampered the testing operations at Horseshoe Bend during 2018. Enhanced recovery is expected using the new sluicing and recovery system that was delivered near the end of last year. Now that the new equipment is available significant large scale excavation of gold-bearing gravels and bulk sample processing can occur.

Exploration in the early 1980’s on the low level, mid-level and upper level benches on the property lead to the following historical resource estimate:

Lower Bench	
Reserves	750,000 cubic yards comparable to current indicated resources
Possible Reserves	500,000 cubic yards comparable to current inferred resources
Middle Bench	
Possible Reserves	750,000 cubic yards comparable to current inferred resources
Upper Bench	
Possible Reserves	2,149,056 cubic yards comparable to current inferred resources
Safety factor for possible	1,000,000 cubic yards
Adjusted Possible Reserves	3,359,056 cubic yards comparable to current inferred resources

Volumes of gravels were calculated by simple field measurements for horizontal lengths and widths. Depths were defined by the sampling program. The sampling program defined a grade of $4.77 per cubic yard based on a gold price of $15.00 per gram calculated at 28 grams to the ounce. In 2019 terms, that is $11.50 per cubic yard based on a gold price of $35.70 per gram ($1000 per ounce) calculated at 28 grams to the ounce.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Gold Rush Cariboo Inc. is not treating the historical estimate as current mineral resources or mineral reserves.

The historical resource was originally calculated by J.C. Snell, P.Eng in *“Report and Production*

Feasibility on Placer Leases PL628 – PL2408 Located on the Quesnel River for Lewco Placer Corporation” dated 07-May-1981 (Snell, 1981). It was modified after the second sampling program of Wilder (1981) and disclosed in the Statement of Material Facts for Heritage Petroleums Inc. dated 29-October-1981 that was unavailable to the company. However, Snell summarized the historical estimate in a letter to the British Columbia Ministry of Consumer and Corporate Affairs dated 06-January-1982 (Snell, 1982).

Gold Rush Cariboo believes the historical estimate is relevant and can be considered reliable. The work done by Snell (1981) was of verification nature where he physically visited the sites and confirmed the presence of gold on claims through a verification sample that was taken and panned to black sand under his direct supervision during his site visit. The later documents do not state whether the second sampling program was verified by Snell, but he felt comfortable revising his original estimate, so the company feels he must have felt the program was done properly.

The historical resource estimate was based on two sampling programs. The first program consisted of 18 samples, 14 taken from excavator pits to a depth of 19 feet (5.8 metres) and 4 taken from D7 cat dozer trenches. Five of the samples resulted from the sluicing of ¼ cubic yards and 7 resulted from panning with a conversion factor of 135 pans to the cubic yard. The method of sample processing for the 4 cat dozer trenches was not indicated. The second sampling program consisted of a further 26 excavator trenches to depths of 19 feet (5.8 metres). Twenty-five of the samples were sluiced in volumes ranging from 1 to 3 cubic yards.

The lower bench (0-15 feet) would be classified as an indicated mineral resource because sufficient sampling has been completed. The remaining three volumes would be classified as inferred mineral resources due to limited to no sampling. Snell deducted 1,000,000 cubic yards from the combined inferred mineral resources as a safety factor to compensate for a possible lower grade.

Gold Rush Cariboo has not been made aware of more recent estimates or additional geological data that would allow an update of the estimates.

The 2019 exploration program of regular grid sampling will determine whether the historic resource estimate can be considered a current mineral resource.

“The company is excited about the increased capacity of the new equipment. There is a direct correlation between how efficiently we can collect the gold-bearing gravels for processing and the amount of gold the processing will yield,” adds Taylor.

Overview of 2018 season: exploration and preliminary processing

The 2018 filed season was largely dedicated to site preparation. Direct road access to the site was established after a later than usual thaw. Mobilization of the equipment and supplies was delayed until June and completed in early July.

Site preparation commenced in July. A 3 acre site was logged and cleared. A former tailings area was cleared and leveled to establish the six man camp and equipment parking site. In addition, a helicopter landing site was created (required for emergency purposes).

The company’s sluicing equipment was delayed at the manufacturing plant, so temporary, older, less efficient equipment was quickly mobilized to site. The new specialized equipment has now been shipped and will be the centerpiece of 2019 program.

The delays allowed Gold Rush Cariboo field personnel to complete the assessment work required to maintain the 16 optioned claims in good standing.

Late in the season, initial stockpiling of sluicing material was undertaken and several test runs were completed, yielding 19.1 grams of gold from 200 cubic yards. The gold recovered was fine gold typical of the area.

The company felt more sophisticated sluicing equipment would catch more of the fine gold and a temporary testing jig mill was arranged. Three mini-bulk samples totaling 70 cubic yards of the stockpiled material were tested under the supervision of geologist R. Tim Henneberry, P.Geo. The resulting clean-up material was taken for independent analysis. A report from Mr. Henneberry is expected in the near future. Once that report is received further news will be distributed.

The disclosure of the technical information contained in this news release has been reviewed and approved by Mr. Tim Henneberry P.Geo, who is a geologic consultant and a qualified person as defined under NI 43-101.

Other Business - The Company also announces that it has amended the exercise price of the 4,427,000 common share purchase warrants which were issued in connection with a financing in February 2018. These warrants currently allow the holders to acquire 1 common share at an exercise price of $0.50 for every warrant and that exercise price has now been amended to $0.30. The warrants expire on either February 2, 2021 or February 9, 2021. The Company has received approval for this amendment from the TSX Venture Exchange.

On Behalf of Gold Rush Cariboo Corp.
R. Brian Murray, CEO, Director

This news release contains certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts which address events, results, outcomes or developments that the Company expects to occur; they are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Certain material assumptions regarding such forward-looking statements are discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedar.com. Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

For further information contact:

R. Brian Murray,
Director, 416-985-7810